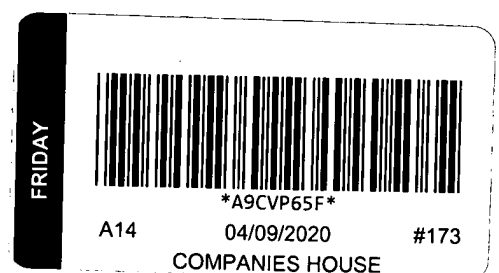

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

COMPANY INFORMATION

Directors	G E R Wood (resigned 29 March 2019) T I M Cruickshank M A Kasper (resigned 14 June 2019) V C Balshaw (appointed 25 July 2019) M Jones (appointed 14 June 2019)
Company secretary	E A Woods T I M Cruickshank (appointed 13 September 2019)
Registered number	07377274
Registered office	Riverbank House 2 Swan Lane London EC4R 3AD
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

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MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report, together with the Strategic Report and audited financial statements of Man Global Private Markets (UK) Limited (the "Company"), for the year ended 31 December 2019.

Results and dividends

The loss for the year, after taxation, amounted to \$881,000 (2018: loss \$181,000). The loss in the year is due to the management fee generation of the business currently being lower than the ongoing operating expenses as we continue to invest in and build the private markets business, with lower performance fees in 2019 compared to 2018 also contributing to a greater loss than prior year.

During the year the Company did not declare or pay any dividends (2018: \$NIL). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2019 (2018: \$NIL).

Directors

The following individuals served as directors of the Company for the duration of the year and up to the date of approval of this report except where indicated otherwise:

G E R Wood (resigned 29 March 2019)
T I M Cruickshank
M A Kasper (resigned 14 June 2019)
V C Balshaw (appointed 25 July 2019)
M Jones (appointed 14 June 2019)

Qualifying third party indemnity provisions

During the year the existing and former directors benefitted from a qualifying third party indemnity provision, in accordance with section 232 of the Companies Act 2006, and this remains in force at the date of this report. The indemnity is provided by another company within Man Group plc and related subsidiaries (the "Group") and covers, to the extent permitted by law, any third party liabilities which directors may incur as a result of their service on the Board. A copy of this indemnity provision is available for inspection by the members of the Company at the Company's registered office.

Future developments

The directors do not expect any development in the Company's business in the current year to be significantly different from its present activities.

Financial instruments

The directors consider the financial risks of the Company to be consistent with those identified at Group level and managed by the directors of Man Group plc. For this reason, the Company's directors believe that a discussion of the Company's financial risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal financial risks of Man Group plc, which include those of the Company, are discussed in notes 12 and 26 of the Group's 2019 Annual Report on pages 126 and 141-142 respectively (which do not form part of this report).

Auditor

Deloitte LLP was appointed as auditor of the Company and the Group for the year ended 31 December 2019. Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board and signed on its behalf.



V C Balshaw
Director

Date: 24 April 2020

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities and review of the business

During the year there were no significant changes to the principal activities of the Company which consisted of the provision of investment advisory services.

As stated in the Directors' Report, the loss for the year, after taxation amounted to \$881,000 (2018: loss \$181,000). As at 31 December 2019 the Company had net assets of \$3,681,000 (2018: \$2,476,000).

An overview of the strategy of the Group is set out in the Group's 2019 Annual Report (which does not form part of this report) in the Strategic Report section on pages 10-23. Consideration of the impact of Brexit to the Group and its subsidiaries is set out in the Group's 2019 Annual Report on pages 34, 36 and 39. As at the date of signing, no change is required to this assessment.

Going concern

After making reasonable enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Principal risks and uncertainties

The directors consider the principal risks of the Company to be consistent with those identified at Group level and managed by the directors of Man Group plc. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of Man Group plc, which include those of the Company, are discussed in the Group's 2019 Annual Report on pages 37-39 (which does not form part of this report).

During the period between 31 December 2019 and the date of approval of the financial statements, the coronavirus (COVID-19) pandemic has caused extensive disruption to businesses and economic activities globally. The situation as impacts the Company's operating arrangements, including its access to capital and liquidity, is subject to ongoing review by the Company's directors and senior management. This assessment includes assessing company-specific factors and an assessment of the Group's Medium-Term Plan which is built by aggregating the expected business performance across the Group, and then stressing key business assumptions (particularly investment performance and fund flows) and includes rigorous downside scenario testing. At this time, the directors consider that the Company's longer-term success and sustainability will not be materially affected by the effects of the pandemic.

Key performance indicators ("KPIs")

The directors of the Company consider its operations to be consistent with those at Group level which are managed by the directors of Man Group plc. For this reason, the Company's directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group's asset management business, which includes the Company, is discussed in the Chief Executive Officer's Review on pages 18-21, and in the Chief Financial Officer's Review on pages 26-33 of the Group's 2019 Annual Report (which does not form part of this report).

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board on and signed on its behalf.



V C Balshaw
Director

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 (Reduced Disclosure Framework). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Man Global Private Markets (UK) Limited ('the Company')

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 17

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (the 'FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAN GLOBAL PRIVATE MARKETS (UK) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAN GLOBAL PRIVATE MARKETS (UK)
LIMITED (CONTINUED)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Suzanne Tailor

Suzanne Tailor (Senior Statutory Auditor)

for and on behalf of

Deloitte LLP

1 New Street Square
London, United Kingdom
EC4A 3HQ
United Kingdom

24 April 2020

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$000	2018 \$000
Turnover	4	11,691	12,032
Cost of sales		(8,307)	(8,784)
Gross profit		3,384	3,248
Administrative expenses		(4,531)	(3,590)
Other operating expenses	5	(19)	-
Operating loss	6	(1,166)	(342)
Interest receivable and similar income	10	104	120
Loss before tax		(1,062)	(222)
Tax on loss	11	181	41
Loss for the financial year		(881)	(181)

All amounts relate to continuing operations.

There were no recognised gains and losses for the current and prior year other than those included in the Profit and Loss account and hence a statement of comprehensive income has not been prepared.

The notes on pages 12 to 26 form part of these financial statements.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED
REGISTERED NUMBER: 07377274

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 \$000	2018 \$000
Current assets			
Debtors: amounts falling due after more than one year	12	445	446
Debtors: amounts falling due within one year	12	6,413	6,336
		<u>6,858</u>	<u>6,782</u>
Creditors: amounts falling due within one year	13	(3,177)	(4,306)
Net current assets		<u>3,681</u>	<u>2,476</u>
Total assets less current liabilities		<u>3,681</u>	<u>2,476</u>
Net assets		<u>3,681</u>	<u>2,476</u>
Capital and reserves			
Called up share capital	15	5,119	3,033
Profit and loss account		(1,438)	(557)
		<u>3,681</u>	<u>2,476</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



V C Balshaw
Director

Date: 24 April 2020

The notes on pages 12 to 26 form part of these financial statements.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital (Note 15) \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2018	3,033	(376)	2,657
Loss for the year	-	(181)	(181)
At 1 January 2019	3,033	(557)	2,476
Loss for the year	-	(881)	(881)
Shares issued during the year (Note 15)	2,086	-	2,086
At 31 December 2019	5,119	(1,438)	3,681

The notes on pages 12 to 26 form part of these financial statements.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The Company was incorporated under the Companies Act 2006 and registered in England and Wales as a private company limited by shares on 15 September 2010. The Company's registered office address is Riverbank House, 2 Swan Lane, London EC4R 3AD.

The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

2. Basis of preparation of financial statements

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

2.1 Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared the financial statements in line with FRS 101 (Financial Reporting Standard 101) as issued by the Financial Reporting Council and in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, related party transactions and revenue from contracts with customers. Where required, equivalent disclosures are given in the group accounts of Man Group plc. The group accounts of Man Group plc are available to the public and can be obtained as set out in Note 17.

The Company's ultimate parent undertaking, Man Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Man Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publically available and may be obtained from the address given in note 17.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS2.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Basis of preparation of financial statements (continued)

2.2 Adoption of new and revised standards

The following standards relevant to the Company's operations became effective in the year to 31 December 2019, none of which have a significant impact on the financial statements:

IFRIC 23 Uncertainty over Income Tax Treatments

Amendments included in the Annual Improvements to IFRS Standards 2015-2017 Cycle including amendments to IFRS3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

No standards or interpretations issued and not yet effective are expected to have an impact on the Company's financial statements.

2.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Foreign currency

The financial statements are presented in United States Dollars (USD), which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

2.5 Administrative expenses

Administrative expenses comprise amounts incurred in the operations of the business, including amounts recharged by other group undertakings, and are recognised as incurred.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Basis of preparation of financial statements (continued)

2.6 Turnover

Turnover is stated net of VAT.

Fee income is the Company's primary source of revenue, which is derived from the investment management agreements in place with the fund entities. Fees are generally based on an agreed percentage of the valuation of funds under management and are typically charged in arrears. Management fees net of rebates include all non-performance related fees

Performance fees net of rebates relate to the performance of the funds managed during the year and are recognised when the quantum of the fee can be estimated reliably and when it is probable that the fee will crystallise. This is generally at the end of the performance period or upon early redemption by a fund investor. Until the performance period ends market movements could significantly move the net asset value (NAV) of the fund products. The Company will typically only earn performance fee income on any positive investment returns in excess of the high-water mark, meaning it will not be able to earn performance fee income with respect to positive investment performance in any year following negative performance until that loss is recouped, at which point a fund investor's investment surpasses the high-water mark. Once crystallised, performance fees typically cannot be clawed back. There are no other performance obligation or services provided which suggest these have been earned either before or after crystallisation date.

All fees are recognised in the year in which the services are provided. Accrued Income is included within Debtors and comprises fee income which is earned during the financial year but not invoiced as at the balance sheet date. Where payments are received in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

The Company manages, operates and reports turnover as a single business segment.

2.7 Cost of sales

Cost of sales comprises third party administration fees and amounts recharged by other group undertakings in respect of delegated investment management services, which are recognised as incurred.

2.8 Pension costs

For defined contribution schemes the amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Man Group plc, the ultimate parent undertaking, operates a group defined benefit pension scheme. This plan is closed to future accruals and there have been no contributions to the scheme in the current or prior years.

2.9 Other operating expenses

Other operating expenses comprises foreign exchange gains and losses and miscellaneous income and expenses, and are recognised as incurred/earned.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Basis of preparation of financial statements (continued)

2.10 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.11 Finance cost

Where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within interest payable and similar expenses.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Basis of preparation of financial statements (continued)

2.12 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Profit and Loss Account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current tax and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Basis of preparation of financial statements (continued)

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs. The Company's financial assets are measured subsequently at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets subsequently measured at amortised cost

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- In limited circumstances, the Company uses derivative financial instruments to hedge its risk associated with foreign exchange movements, including foreign exchange forward contracts. The fair values of derivative instruments are calculated using observable prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Basis of preparation of financial statements (continued)

2.13 Financial instruments (continued)

Impairment of financial assets

The Company considers a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtor's general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

Write off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any subsequent recoveries are recognised in profit or loss.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the date of final recognition. The Company considers both quantitative and qualitative information that is reasonable and supportable.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Basis of preparation of financial statements (continued)

2.13 Financial instruments (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All of the Company's financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

At times the Company may enter into derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have determined that there are no significant area of judgement, accounting estimates or source of estimation uncertainty that have a material impact on the financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	\$000	\$000
Gross management and other fees	11,689	11,757
Performance fees	2	275
	11,691	12,032

An analysis of the Company's turnover by geographical location is set out below, which is based on the registered domicile of the relevant fund entity.

	2019	2018
	\$000	\$000
Europe	2,375	3,365
Rest of the world	9,316	8,667
	11,691	12,032

5. Other operating expenses

	2019	2018
	\$000	\$000
Other operating income	5	-
Foreign exchange difference	(24)	-
	(19)	-

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Operating loss

The operating loss is stated after charging:

	2019	2018
	\$000	\$000
Exchange differences	24	-
Defined contribution pension cost	99	-

7. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements:

	2019	2018
	\$000	\$000
Fee for the audit of the Company	39	39

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019	2018
	\$000	\$000
Wages and salaries	483	(465)
Social security costs	30	105
Pension costs	99	10
	612	(350)

Wages and salaries were a credit to the profit and loss in the year ended 31 December 2018 due to a revision to a brought forward bonus accrual of \$1,200,000.

The average monthly number of employees during the year was as follows:

	2019	2018
	No.	No.
Permanent	1	1

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Directors' remuneration

	2019 \$000	2018 \$000
Directors' emoluments	-	107
	<u>-</u>	<u>107</u>

In 2019, all directors' remuneration was paid by other members of the Group.

10. Interest receivable and similar income

	2019 \$000	2018 \$000
Interest receivable from Group companies	104	120
	<u>104</u>	<u>120</u>

11. Taxation

	2019 \$000	2018 \$000
Corporation tax		
Current tax on loss for the year	(178)	(413)
Adjustments in respect of previous periods	19	448
Total current tax	<u>(159)</u>	<u>35</u>
Deferred tax		
Current year	2	375
Adjustment in respect of previous periods	(31)	(451)
Effect of changes in tax rates	7	-
Total deferred tax	<u>(22)</u>	<u>(76)</u>
Total tax credit for the year	<u>(181)</u>	<u>(41)</u>

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 \$000	2018 \$000
Loss on ordinary activities before tax	(1,062)	(222)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(202)	(42)
Effects of:		
Adjustments to tax charge in respect of prior periods	(12)	(4)
Expenses not deductible for tax purposes	26	5
Tax rate changes	7	-
Total tax credit for the year	(181)	(41)

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by \$8,000, and so increase the deferred tax asset by \$8,000.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Debtors

	2019	2018
	\$000	\$000
Due after more than one year		
Accrued income	445	446
	445	446
	2019	2018
	\$000	\$000
Due within one year		
Amounts owed by Group undertakings	3,317	4,200
Other debtors	221	-
Accrued income and other debtors	2,777	2,060
Deferred taxation	98	76
	6,413	6,336

As previously presented at 31 December 2018, accrued amounts due from Group undertakings of \$73,000 were included within Accrued income and other debtors. These amounts have been reclassified in the 2018 comparatives to Amounts owed by Group undertakings in order to present all intergroup balances consistently.

13. Creditors: Amounts falling due within one year

	2019	2018
	\$000	\$000
Amounts owed to Group undertakings	1,331	2,742
Corporation tax	-	35
Other taxation and social security	2	3
Accruals and deferred income	1,844	1,526
	3,177	4,306

As previously presented at 31 December 2018, accrued amounts due to Group undertakings of \$1,700,000 were included within Accruals and deferred income. These amounts have been reclassified in the 2018 comparatives to Amounts owed to Group undertakings in order to present all intergroup balances consistently.

MAN GLOBAL PRIVATE MARKETS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Deferred taxation

	2019 \$000
At beginning of year	76
Charged to profit or loss	(9)
Adjustment in respect of prior years	31
At end of year	98

The deferred tax asset is made up as follows:

	2019 \$000	2018 \$000
Fixed assets	11	14
Other timing differences	87	62
	98	76

15. Share capital

	2019 \$000	2018 \$000
Authorised, allotted, called up and fully paid		
4,022,001 (2018: 2,442,001) Ordinary shares of £1.00 each	5,119	3,033

On 29 April 2019 the Company issued 1,600,000 ordinary £1 shares at par value, which were translated into USD at the exchange rate on that date, being \$1.3034 to £1. The Company's issued sterling share capital at 1 January 2017, being the date of the change of the Company's functional currency, was converted into USD at the exchange rate prevailing on that date, being \$1.2357 to £1. The 800,000 shares issued during 2017 were converted at the rate of \$1.2860 to £1, being the prevailing rate at the date of issue.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. Related party transactions

The Company has taken advantage of the exemption under the provisions of FRS 101 from disclosing transactions with other wholly-owned Group entities since the Company is a wholly-owned subsidiary of Man Group plc, the consolidated financial statements of which are publicly available. During the year and the preceding year there have been no transactions with related parties other than wholly-owned Group entities.

17. Controlling party

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Man Group plc, a company registered in Jersey. The immediate parent undertaking and controlling party is Man Investments Holdings Limited, a company registered in England and Wales.

As at 28 May 2019 the Group adjusted its corporate structure such that Man Group plc, a company registered in Jersey, became the new listed holding company of the Group via a court-approved scheme of arrangement under Part 26 of the Companies Act 2006. The former holding company of the Group, previously known as Man Group plc, was renamed Man Group Limited on re-registering as a private limited company on that date.

The smallest and largest group of undertakings, that prepare consolidated accounts, of which the Company is a member is Man Group plc. The financial statements of the Company are available from the Company's registered office address.

The Group financial statements of Man Group plc are available from Man Group plc, 22 Grenville Street St Helier, Jersey, JE4 8PX.